

VZCZCXYZ0000
RR RUEHWEB

DE RUEHAD #1151/01 3511307
ZNY SSSSS ZZH
R 171307Z DEC 09
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 0042
INFO GULF COOPERATION COUNCIL COLLECTIVE
RHMFISS/CDR USCENCOM MACDILL AFB FL
RHMFISS/DEPT OF ENERGY WASHINGTON DC

S E C R E T ABU DHABI 001151

NOFORN
SIPDIS
STATE FOR NEA/FO AND NEA/ARP
ENERGY FOR S1, S2, O???CONNOR AND SANDOLOW

E.O. 12958: DECL: 2019/12/17
TAGS: [PGOV](#) [PREL](#) [PARM](#) [ENRG](#) [IR](#) [YM](#) [AE](#)
SUBJECT: ABU DHABI CROWN PRINCE WARNS DOE DEPSEC PONEMAN ABOUT IRAN

CLASSIFIED BY: Richard G. Olson, Ambassador, State, US Embassy Abu Dhabi, UAE; REASON: 1.4(B), (D)

11. (S/NF) Summary: During a December 9 meeting in Abu Dhabi (other meetings reported septel), Deputy Secretary of Energy Daniel Poneman told Abu Dhabi Crown Prince Mohammed bin Zayed (MbZ) that the USG shared many energy policy priorities with the UAE, including renewable energy development and the importance of critical energy infrastructure protection. Poneman briefed MbZ on the Teheran Research Reactor (TRR) proposal and Vienna talks. MbZ said he would be surprised if Iran accepted the P5+1/IAEA proposal and warned that Iran was already acting like a nuclear power. Further, and more dangerously, Iran is establishing "emirates" across the Muslim world, including South Lebanon and Gaza, sleeper "emirates" in Kuwait, Bahrain, and the Eastern Province of Saudi Arabia, the mother of all "emirates" in Southern Iraq, and now Saada in Yemen. MbZ suggested that the U.S. is misreading the situation in Yemen and failing to recognize strong evidence of Iranian support. End Summary.

POTENTIAL COOPERATION:

RENEWABLES, INFRASTRUCTURE PROTECTION

12. (SBU) The Crown Prince asked DepSec Poneman several questions about U.S. energy development plans, including the outlook for the next 25 years. Poneman explained President Obama and Secretary Chu have a strategic vision of a new energy economy with a low carbon profile. In the short term, Poneman said DOE is investing Recovery Act funds to improve efficiency and support new technologies, but that the USG seeks to facilitate energy development through a portfolio approach, not dictate what the market should pursue. On nuclear, MbZ specifically asked what progress could be expected within the next three years. Poneman said there are a number of active deals under development, and strong public support for nuclear power, but that capital costs continue to be a challenge. (Comment: MbZ pressed hard on US plans for a nuclear renaissance, suggesting to us that he is worried we may compete with his program in the hunt for nuclear engineering and technical talent. End Comment.) Turning to renewable energy and efficiency, the DepSec noted that USG goals are very much in line with Abu Dhabi's own Masdar (Abu Dhabi Future Energy Company) and that he looked forward to greater DOE-Masdar cooperation (septel).

13. (SBU) Poneman also told MbZ that the USG is interested in supporting Abu Dhabi's critical energy infrastructure protection (CEIP) plans and said a DOE team was discussing cooperation

potential with the Critical National Infrastructure Authority (CNIA, reported septel). Learning from Hurricane Katrina, DOE was focused on survivability of assets, resiliency and recovery. MbZ said he was personally very interested in greater cooperation with the U.S. on CEIP, through DOE, other USG entities and/or the private sector. He stressed that citizens' confidence in their government was very important, noting "We're doing our best to make them feel secure." MbZ added that while UAE is a small country, it has the resources to protect itself, and is willing to invest in top-quality infrastructure protection.

IRAN

¶4. (S/NF) DepSec Poneman briefed MbZ on the international proposal for Iran to ship 1,200 kg of Low Enriched Uranium produced at Natanz to a location outside Iran and where it would be enriched to 20 percent for use to produce medical radioisotopes at the Tehran Research Reactor. Poneman stressed that the IAEA, the Russians, and the U.S. had all taken every possible step to address stated Iranian concerns, including a first-ever official USG statement of support for the proposal. He stressed that the offer would not remain open indefinitely; as DG El Baradei had said, this is a "fleeting" opportunity. He also explained that the extra effort had strengthened international cooperation, with Russia and China supportive of the recent IAEA Board of Governors resolution.

Poneman stressed that the deal was not offered out of naivete, but rather out of the view that if Iran agreed it would remove a significant amount of LEU from Natanz and if Iran refused it would help build international support - beginning with Russia and China - for tougher sanctions.

¶5. (S/NF) The Crown Prince said he would be "very surprised" if a deal was possible, as Iran's nuclear program is not an issue of internal conflict but rather one of national pride for the vast majority of Iranians. He stressed that Iran is not North Korea, because 1) it is looking to reestablish a Persian empire in the 21st century, 2) Iran has resources and lacks neighbors, including the UAE, who can pressure it, 3) the leadership has not changed (it is the same people who seized Embassy Tehran in 1979), and 4) Iran believes itself to be a superpower. Poneman said the USG does not disagree with MbZ's analysis, but believes pride makes the Iranian leadership more susceptible to the pressure of the world community uniting against them, whereas North Korea revels in its own isolation. MbZ agreed, and emphasized the strategic importance of creating a Palestinian State (i.e., resolving the Israeli-Palestinian conflict) as the way to create genuine Middle Eastern unity on the question of Iran's nuclear program and regional ambitions.

YEMEN

¶6. (S/NF) MbZ said Iran already acts like a superpower and explained that, while the UAE is a federation of emirates, Iran's "emirates" have a larger army and budget than the UAE. In addition to Iran's established emirates in South Lebanon and Gaza, sleeper emirates in Kuwait, Bahrain, the Eastern Province of Saudi Arabia, and the mother of all emirates in Southern Iraq. Now Iran has an emirate in Saada. MbZ told Poneman, "We believe you don't want us to believe" the mounting evidence of Iranian involvement in Yemen. He stressed that he doesn't believe Ali Abdullah Saleh either, but this is "not like cracking the enigma code" (in World War II), there are Iranian ships unloading weapons for the Houthis, and "you have the capability to track this." He warned, "We know your priority is Al-Qaeda, but don't forget Iran. Al-Qaeda is not going

to get a nuclear bomb; Iran is a matter of time."

[17](#). (SBU) DepSec Poneman has cleared this cable.
OLSON